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Arizona Has Opportunity to Lead Nation in Developing Solar Energy

Arizona has a key opportunity to become a national leader in developing solar energy, if it passes a proposal that will be discussed next week at the Arizona Corporation Commission. Clean energy advocates are calling on the Commission to support a proposal similar to one the introduced last year by Chairman Carl Kunasek, requiring electric service providers in Arizona to obtain one percent of the electricity they sell from solar and renewable energy by 2005. The proposal also would require that ninety percent of the standard come from solar energy.

By adopting this target, Arizona would surpass Nevada in making the biggest commitment to developing new solar technologies, according to a new report released today by the Union of Concerned Scientists, a national environmental group. The report, *Clean Power Surge: Ranking the States*, found that leading states have made commitments that will increase the use of wind, solar, geothermal and biomass power by 6,200 megawatts, an increase of 40 percent over 1997 levels. These increases will provide enough power to meet the needs of 4 million typical homes, and reduce as much carbon dioxide—the main greenhouse gas implicated in global warming—as taking 3.4 million cars off the road or planting 816 million trees.

The solar standard is expected to lead to at least 75 megawatts of new solar power by 2005. While this represents a relatively small part of Arizona's electricity use, it is equivalent to more than 50 percent of the nation's current manufacturing capacity of photovoltaics. Globally, the solar industry has grown by more than 20 percent per year on average over the past decade, which is equivalent to the growth experienced in the semiconductor industry. During the same period, the cost has fallen by about 50 percent.

“Arizona's renewable electricity standard is the single largest opportunity for the US solar industry to expand its manufacturing capacity and drive down costs,” said Robert “Bud” Annan of the Arizona Clean Energy Industries Alliance. “Adopting a strong standard would provide a tremendous incentive to attract new businesses to Arizona while increasing the state's global market share in producing solar technologies.”

Ten states have adopted renewable electricity standards, according to the study. Thirteen have enacted funds for promoting renewable energy development, totaling about \$2 billion dollars through 2012. Arizona is one of 30 states that have adopted net metering policies, which makes it easier and more affordable for customers to generate their own power from renewable energy systems. Fifteen states require disclosure of fuel sources and emissions to electricity customers—similar to nutrition labels for food. Power companies in 22 states now offer customers a green power choice.

The report also indicates that Arizona is one of eight states that have missed a key opportunity to provide meaningful support for renewables as part of electricity restructuring. The Commission, who had adopted a Solar Portfolio Standard as part of its 1997 electric restructuring rules, removed it from the rules after the last election.

Arizona also recently passed legislation introduced by Representative Wong (HB 2287) that would promote the use of solar and other renewable energy sources by providing a sales tax exemption and reduced property taxes for renewable energy equipment. Together, this law and the renewable electricity standard would remove important barriers to the developing renewables and create a guaranteed and stable market for developers and investors.

“As we celebrate Earth Day next week, Arizona has the opportunity to make a small but important step in cleaning-up its electricity,” said Steve Clemmer, UCS Senior Energy Analyst. “By reducing the state’s reliance on fossil fuels, renewables can help reduce air pollution in places like the Grand Canyon. We owe it to our children to protect these national treasures.”

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The entire report is available at <http://www.ucsusa.org>